

### § 1710.3

with any materials and staff necessary for its intended purpose.

*Beneficial property restrictions* means restrictions that are enforceable by the lot owners and are designed to control the use of the lot and to preserve or enhance the environment and the aesthetic and economic value of the subdivision.

*Date of filing* means the date a Statement of Record, amendment, or consolidation, accompanied by the applicable fee, is received by the Secretary.

*Good faith estimate* means an estimate based on documentary evidence. In the case of cost estimates, the documentation may be obtained from the suppliers of the services. In the case of estimates of completion dates, the documentation may be actual contracts let, engineering schedules, or other evidence of commitments to complete the amenities.

*Lot* means any portion, piece, division, unit, or undivided interest in land located in any State or foreign country, if the interest includes the right to the exclusive use of a specific portion of the land.

*OILSR* means the Interstate Land Sales Registration program.

*Owner* means the person or entity who holds the fee title to the land and has the power to convey that title to others.

*Parent corporation* means that entity which ultimately controls the subsidiary, even though the control may arise through any series or chain of other subsidiaries or entities.

*Principal* means any person or entity holding at least a 10 percent financial or ownership interest in the developer or owner, directly or through any series or chain of subsidiaries or other entities.

*Rules* means all rules adopted pursuant to the Act, including the general requirements published in this part.

*Sale* means any obligation or arrangement for consideration to purchase or lease a lot directly or indirectly. The terms "sale" or "seller" include in their meanings the terms "lease" and "lessor".

*Senior Executive Officer* means the individual of highest rank responsible for the day-to-day operations of the developer and who has the authority to bind

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or commit the developing entity to contractual obligations.

*Site* means a group of contiguous lots, whether such lots are actually divided or proposed to be divided. Lots are considered to be contiguous even though contiguity may be interrupted by a road, park, small body of water, recreational facility, or any similar object.

*Start of construction* means breaking ground for building a facility, followed by diligent action to complete the facility.

[61 FR 13597, Mar. 27, 1996]

#### § 1710.3 General applicability.

Except in the case of an exempt transaction, a developer may not sell or lease lots in a subdivision, making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, unless a Statement of Record is in effect in accordance with the provisions of this part. In non-exempt transactions, the developer must give each purchaser a printed Property Report, meeting the requirements of this part, in advance of the purchaser's signing of any contract or agreement for sale or lease.

(Approved by the Office of Management and Budget under control number 2502-0243)

[45 FR 40479, June 13, 1980, as amended at 49 FR 31368, Aug. 6, 1984]

#### § 1710.4 Exemptions—general.

(a) The exemptions available under §§ 1710.5 through 1710.16 are not applicable when the method of sale, lease or other disposition of land or an interest in land is adopted for the purpose of evasion of the Act.

(b) With the exception of the sales or leases which are exempt under § 1710.5, the anti-fraud provisions of the Act (15 U.S.C. 1703(a)(2)) apply to exempt transactions. The anti-fraud provisions make it unlawful for a developer or agent to employ any device, scheme, or artifice to:

(1) Defraud;

(2) To obtain money or property by means of any untrue statement of a material fact, or